

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)

4 BY REQUEST OF THE ATTORNEY GENERAL

5  
6 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A \$10 FEE TO BE PAID UPON APPLICATION FOR  
7 A BONDED CERTIFICATE OF TITLE FOR A MOTOR VEHICLE; REQUIRING THAT THE FEE PROCEEDS BE  
8 DISTRIBUTED AMONG THE STATE GENERAL FUND AND CITY AND COUNTY ROAD FUNDS; AMENDING  
9 SECTIONS 61-3-203 AND 61-3-208, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

10

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12

13 **Section 1.** Section 61-3-203, MCA, is amended to read:

14 **"61-3-203. Fee for original certificate of ownership and transfer of registration -- fee for bonded**  
15 **certificate of title -- disposition.** (1) Except as provided in ~~subsection~~ subsections (2) and (3), a charge of  
16 \$5 must be made for issuance of an original certificate of ownership of title and for a transfer of  
17 registration, which must be collected by the county treasurer. The fees must be distributed as follows:

18 (a) The amount of \$3.50 of each fee must be remitted to the department by the county treasurer,  
19 as provided in 15-1-504, for each application for original certificate of ownership or transfer of registration.

20 (b) Each March, the county commissioners of each county shall divide the fees retained by the  
21 county to:

22 (i) the city road fund of each city and town within the county based on the number of motor  
23 vehicles registered inside the corporate limits of each city or town; and

24 (ii) the county road fund based on the number of motor vehicles registered outside the corporate  
25 limits of cities and towns.

26 (2) Upon transfer of any interest in a used motor vehicle by a dealer, broker, or wholesaler as  
27 provided in 61-4-111(1), a charge of \$5 must be paid to the department.

28 (3) (a) Upon application for a bonded certificate of title under 61-3-208, the applicant shall pay  
29 a fee of \$10 to either the county treasurer or the department.

30 (b) If the fee is paid to the county treasurer, it must be distributed as follows:

- 1        (i) the amount of \$8.50 must be remitted to the department by the county treasurer; and  
2        (ii) the remaining \$1.50 must be distributed in accordance with subsection (1)(c).  
3        (c) If the fee is paid to the department, the department shall deposit the fee into the general fund."  
4

5        **Section 2.** Section 61-3-208, MCA, is amended to read:

6        **"61-3-208. Affidavit and bond for certificate.** (1) If an applicant for a vehicle certificate of title  
7 cannot provide the department with a certificate of title transferred to the applicant, the department may  
8 issue a certificate of title for the vehicle if the applicant furnishes an affidavit in a form prescribed by the  
9 department and pays the \$10 application fee for a bonded certificate of title as provided in 61-3-203.

10        (2) The affidavit must be signed and sworn to before an officer authorized to administer oaths and  
11 affirmations. The affidavit must accompany the application for the certificate of title and include:

12        (a) the facts and circumstances through which the applicant acquired ownership and possession  
13 of the vehicle;

14        (b) information as required by the department to enable it to determine what security interests,  
15 liens, and encumbrances, if any, are outstanding against the vehicle;

16        (c) the date and the amount secured by the security interests, liens, and encumbrances, if any;  
17 and

18        (d) a statement that the applicant has the right to have a certificate of title issued.

19        (3) If after examination of the application, affidavit, and any other evidence the department  
20 determines that a certificate of title for the vehicle should be issued to the applicant, the department shall  
21 require the applicant to file with the department a good and sufficient bond before issuing the certificate  
22 of title. The bond must be:

23        (a) in an amount equal to the average trade-in or wholesale value of the vehicle as determined by  
24 the applicable national appraisal guide for the vehicle as of January 1 for the year in which the application  
25 for certificate of title is made. When a national appraisal guide is not available for a vehicle, the department  
26 shall determine an alternative value for the vehicle.

27        (b) conditioned to indemnify a prior owner, lienholder, subsequent purchaser, secured creditor,  
28 or encumbrancer of the motor vehicle and any respective successors in interest against expenses, losses,  
29 or damages caused by the issuance of the certificate or by a defect in or undisclosed security interest upon  
30 the right, title, and interest of the applicant in the vehicle; and

1 (c) issued by a surety company authorized to do business in the state.

2 (4) Any interested person has a right of action to recover on the bond for a breach of its  
3 conditions, but the aggregate liability of the surety to all persons may not exceed the amount of the bond.

4 (5) Unless the department has been notified of a pending action to recover the bond, the  
5 department shall return the bond at the earlier of:

6 (a) 3 years from the date of issuance of the certificate of title; or

7 (b) the date of surrender of the valid certificate of title to the department if the vehicle is no longer  
8 registered in this state."

9  
10 NEW SECTION. **Section 3. Effective date.** [This act] is effective January 1, 2002.

11 - END -